

Dhaka prepares negative list for Bimstec FTA

Trade negotiation meet in Lanka next month

JASIM UDDIN KHAN

Bangladesh has prepared an indicative negative list of 1,322 items to place at the 5th Trade Negotiations Committee (TNC) meeting of the Bimstec countries in Sri Lanka next month in the run-up to a free trade agreement.

"The government has made the list after consulting Free Trade Group, chamber bodies and relevant government agencies," a high official of the Ministry of Commerce said.

An inter-ministerial meeting on the Bay of Bengal Initiative for Multi-

Sectoral Technical and Economic Cooperation (Bimstec) was held at the Ministry of Commerce recently where the list of goods with 25 percent tariff line was finalised.

Bangladesh, India, Myanmar, Sri Lanka and Thailand formed the regional bloc, BIMST-EC, in 1997 for promotion of economic cooperation among themselves. Bhutan and Nepal joined the group last year.

The government officials expressed optimism that Bimstec free-trade area framework agreement would come into effect in July 2006 following 'successful negotiations' by December.

The country also took a moderate line in the Anti Dumping issue and decided to propose prior consultation with least developed country (LDC) members during the period after final finding of anti-dumping investigation and before imposition of anti dumping duty.

"We earlier had proposed a provision for consultation prior to initiation of anti dumping measures against LDC members. But it was seriously opposed by India and Sri Lanka. So we have to shift from our earlier position," the ministry official added preferring anonymity.

The government has decided to

propose in the next TNC meeting for adaptation of value addition criteria only with 35 percent value addition for non-LDCs and 25 percent for LDCs for rules of origin criteria. It also has decided to oppose country's position on rules of origin criteria that requirements of value addition in fallback position would be 40 percent for non-LDCs and 30 percent for LDCs.

Framework agreement on Bimstec free trade area was signed in February 2004. Bangladesh reached the agreement by signing a protocol on June 25, 2004.

BADA seeks duty cut on imported cars

UNB, Dhaka

Bangladesh Automobiles Distributors Association (BADA) yesterday demanded withdrawal of the proposed supplementary duty on motor cars (850cc-1649cc) to make them affordable to the middle-income group.

It said the middle-income group constitutes more than 80 percent of the total customers who buy this kind of automobiles.

The budget for FY2005-06 proposed to raise the duty by 5-10 percent with an actual duty-effect of 7.5-15 percent. BADA president M Salahuddin said in a post-budget reaction. "Any increase in duties will seriously discourage this market segment," he feared.

"The government should reduce supplementary duty completely on such cars in a bigger way to bring such new environment-friendly cars within the purview of middle-income group," he said, adding that this category of vehicles is no more considered a luxury.

FBCCI team off to Malaysia to attend OIC trade forum

BDNEWS, Dhaka

A-26 member trade delegation of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday went to Malaysia to participate in the trade forum of the Organisation of Islamic Conference (OIC).

The trade forum will be held on June 20-22.

The FBCCI said the team will visit Hong Kong for signing a Memorandum of Understanding (MoU) with the Hong Kong General Chamber of Commerce and Industry (HKGCCI) on their way back.

FBCCI Director MA Rauf Chowdhury will lead the delegation and will sign the MoU.

Cosmic Air ups Dhaka flights

Cosmic Air, a leading domestic airline in Nepal, added two more flights to its Kathmandu-Dhaka route from June 6.

The airline will operate the new flights on Monday and Wednesday each week. With the earlier flights on Sunday, Tuesday and Thursday, Cosmic Air now has five weekly services connecting Kathmandu and Dhaka, says a press release.

Cosmic Air has recently reintroduced its Frequent Flier programme whereby its passengers, both domestic and international, will be awarded points that can be converted to free tickets for all the destinations covered by the airline.

Progressive Life distributes performance awards

Progressive Life Insurance Company Ltd conferred this year's "Shafat A Chaudhuri Gold Medal" on Bashanti Rani Ojha, assistant vice president of the company, at a function in Dhaka on Thursday.

Progressive Life last year introduced the award to be given every year for the best performance in renewal premium collection of the company, says a press release.

The company also awarded gold medals to eight organisers and 18 development staffs this year for their performance in business development and recruitment.

Nasir Ali Shah, chairman of the company, distributed the prizes among the winners.

BANGLALINK CELLPHONE FAIR

SIM card sale not satisfactory

STAR BUSINESS REPORT

The ongoing Banglalink cellphone fair in the capital's Bashundhara City shopping mall is pulling huge crowd everyday, but the sale is unsatisfactory.

Banglalink dealers, who are participating in the fair, said sale of SIM cards is not satisfactory following the imposition of Tk 1,200 tax on each card.

Some 14,000 people, especially youths, visited the fair yesterday, the third day of the five-day event.

Echoing the dealers, Banglalink

Marketing Director Omar Rashid said the sale of SIM (subscriber identity module) cards dropped everywhere across the country.

However, visitors are being informed about Banglalink's network coverage, call charges and other facilities, he added.

Banglalink pre-paid and post-paid SIM cards are being sold between Tk 1,400 and Tk 4,850 each.

Latest model mobile phone sets are also on display in the fair. Sets, however, sell at lower prices as the government has drastically cut import duty on them.

Banglalink has set up four special outlets in the fair, where buyers receive a free CD and T-shirt against each SIM card purchase.

Banglalink, a private cellphone operator, started its journey in Bangladesh in last February. In less than four months, its subscriber-base has reached over 400,000. Its coverage has also expanded to 32 districts from nine districts throughout the country in this period. By the end of this year, its coverage is likely to expand to 61 districts.

India on aircraft buying spree

AFP, New Delhi

Indian companies were among the biggest spenders at the Paris air show, indicating a dramatic expansion in its aviation industry fuelled by the budget travel boom, officials say.

Indian companies splurged a total of 13 billion dollars on 150 new aircraft at Le Bourget, according to figures released by rivals Airbus and Boeing.

All the planes on order are intended for the fleets of new or future low-cost carriers, according to press reports in India.

Heading the list was an order for 100 single-aisle A320s, valued at six billion dollars, by future airline Indigo, while new carrier Kingfisher Airlines ordered five of the new A380 superjumbos, five A350s and five long-haul A330s in a deal worth three billion dollars.

Around half-a-dozen new Indian carriers have launched services in the past year, some offering fares as low as two dollars between key city destinations as competition heats up.

According to plane manufacturers, India is the next big thing after neighbouring China.

"We are still looking at China, but India is the next big story," Airbus sales chief John Leahy said, noting "a dramatic expansion" in the Indian market.

With the purchases at the Paris air show, Indian carriers have in recent months committed themselves to buying over 350 new planes with a list price of 26 to 27 billion dollars, according to India's Economic Times newspaper.

It said the industry was being spurred by the India's booming information technology sector.

India launched its open-skies policy in the 1990s, allowing private players to enter the domestic airline market previously dominated by state-run carriers.

"The new low-cost Indian carriers have triggered a burst of activity in the aviation industry on the employment, travel and aircraft acquisition front," said Dinesh Keskar, vice president of trading in Boeing, at a recent press conference.

"I estimate that India will need to invest 35 billion dollars in new aircraft purchases over the next 20 years," he added.

State-owned Indian Airlines and private operators Jet Airways and Sahara command the lion's share of the domestic market but will face increasing competition from low-cost carriers like Air Deccan, Kingfisher Airlines, SpiceJet and Magic Air, which is to be launched in September.

SpiceJet, which has blue-chip investors including Goldman Sachs and Citibank, has two leased Boeing 737-800 planes and has ordered 20 more from US maker Boeing.

"The hope is we will be profitable in six months," SpiceJet chief executive Mark Winders told AFP.

Despite the boom in the industry, many are sceptical of the budget airlines' long-term survival chances.

"Several carriers have announced their intentions to buy planes but the orders are based on future prospects and initial public offerings (IPOs)," said Gopi Krishna, of the French Office for the Export of Aviation Material.

Tourism fair begins Nov 22

This year's tourism fair will be held November 22-25, Bangladesh Parjatan Corporation (BPC) announced yesterday.

The schedule for Bangladesh Tourism Fair 2005 was announced at a function in Dhaka with Mahfuzul Haque, chairman of BPC, in the chair. State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin and Ministry Secretary Iqbal Uddin Ahmed Chowdhury were also present at the function, says a press release.

With the slogan "Let's see Bangladesh", the fair will be held this year at Bangladesh-China Friendship Conference Centre in Dhaka.

Tourism-related organisations such as hotels, airlines, guest houses, motels, resorts, One stop service providers, tours and cruise operators, and amusement parks will take part in the fair.

Besides, banks, insurance companies, duty free shops, souvenir shops and film producers focusing on tourism will showcase their products and services in over 100 stalls in the fair.

Rajshahi mango, silk festival ends

STAFF CORRESPONDENT, Rajshahi

The three-day Mango and Silk Festival ended here yesterday.

Bangladesh Parjatan Corporation, the national tourism organisation, and Bon Voyage Tourism, a private tour operator, jointly organised the festival to promote local tourism in this region.

Festival Coordinator Kantara K Khan chaired the closing function. She said Rajshahi and its surrounding areas have a number of tourist sites that deserve attention.

Bon Voyage Managing Director Mohammad Mahtab Ali hoped that such festival will be organised every year.

The Daily Star and ATN Bangla were media partners of the programme.

Mangoes and silk products were put on display in 21 stalls in the festival.

LDC businesses talk US trade bill tomorrow

UNB, Dhaka

Representatives of top business bodies from the least developed countries (LDCs) will meet here tomorrow to discuss the US Trade Bill-2005 concerning duty-free access of LDC products to the US market.

The bill is now pending with the US Congress for consideration.

Host Bangladesh apart, business leaders from Afghanistan, Bhutan, Cambodia, Laos, Nepal, the Maldives and Sri Lanka will attend the conference.

Foreign Minister M Morshed Khan is likely to attend the programme as chief guest. Commerce Minister Altaf Hossain Chowdhury and Commerce Ministry Advisor Barkat Ullah Bulu will also

attend the conference.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and South Asia Enterprise Development Facility (SEDF) are jointly organising the conference.

BGMEA leaders hoped that the joint-declaration of the conference will help pass the bill in the US Congress.



US Ambassador in Bangladesh Harry K Thomas speaks at a seminar on 'Business Policy and Strategy' organised by North South University (NSU) yesterday in Dhaka. NSU Vice Chancellor Hafiz GA Siddiqi, Pro-VC SAM Khairul Bashar and Citigroup Country Officer Mamun Rashid were also present at the function.

Japan-Thai FTA almost a reality

ANN/ THE NATION

Thai Deputy Prime Minister Somkid Jatusripitak yesterday expressed confidence that Thailand would reach a basic free-trade agreement (FTA) with Japan by the end of next month, following his meeting with top Japanese officials in Tokyo.

Somkid, who is also finance minister, said Thailand would remove

rice from the list of items for negotiation, while Japan had handed over a new proposal on bilateral liberalisation of industrial goods.

Both sides would attempt to cut deals in multiple stages after there was a basic agreement, he said.

Somkid spoke after discussions with Japanese Foreign Minister Nobutaka Machimura and Shoichi Nakagawa, the country's minister of

economy and trade, as well as key representatives from Japan's parliament and private sector.

The plan for multi-stage negotiations does not mean the Thai-Japan FTA will be further delayed, Somkid said, adding that the latest Japanese proposal on industrial goods would be considered by the Commerce Ministry shortly.

Further talks on liberalisation of the steel and automotive industries will be held with Japanese counterparts, he said.

On the issue of agriculture products, he said there would be no problem because Thailand had decided to remove rice from the list of items for liberalisation.

Essentially, Thailand hopes to create a new economic alliance with Japan via the planned FTA, so there should first be a basic agreement. Details of the framework can then be worked out.

For the Thai private sector, which has opposed early liberalisation of selected industrial sectors, Somkid said businesses would have to prepare for new challenges since liberalisation was inevitable, in part because it was already required under Asean's Afta programme.

That programme is due to come into effect in 2010.

Muslim world comes to grips with poverty at Malaysia meet

AFP, Kuala Lumpur

Finance ministers and business leaders from the Muslim world will meet in the Malaysian capital this week to devise ways to lift their countries out of poverty by unleashing their untapped economic potential.

Malaysia is leading the charge for a focus on the economy as a means to bring development and prosperity to troubled Muslim-majority nations, and drain support for radicalism and conflict.

The Malaysian capital Kuala Lumpur will play host to a range of

meetings on the Islamic finance and information technology sectors, including a major trade forum for the 57-nation Organisation of the Islamic Conference (OIC).

The annual meeting of the board of governors of the Islamic Development Bank (IDB), the OIC's investment arm, will be the centrepiece of the week's program.

The governors, mostly finance and economic ministers, are expected to approve a 10-year global masterplan to help their countries develop their Islamic financial services sectors when they meet on Thursday and Friday.

They will also launch a trade financing body with capital of 3.0 billion dollars to encourage trade development among members.

Halipah Esa, coordinator of the IDB meeting and deputy secretary general of Malaysia's finance ministry, said delegates will focus on how to convert the wealth of resources held by OIC nations into better living standards.

"We are trying to fill up stomachs. People must have food on the table, clothing and money for children to be educated," Halipah told AFP.